

**Senate File 102 - Introduced**

SENATE FILE 102

BY GREENE

**A BILL FOR**

1 An Act relating to the liability of a sponsor of an event to  
2 collect sales tax, and providing penalties.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.33, subsection 3, Code 2019, is  
2 amended to read as follows:

3 3. a. (1) ~~Event sponsor's liability for sales tax sponsor~~  
4 ~~— daily log — penalty.~~ A person ~~sponsoring a~~ sponsor of an  
5 event including a flea market or a craft, antique, coin, or  
6 stamp show or similar event shall ~~obtain from~~ keep a daily log  
7 of every retailer selling tangible personal property, specified  
8 digital products, or taxable services at the event ~~proof that~~  
9 the retailer possesses a valid sales tax permit or secure from  
10 the retailer a statement, taken in good faith, that tangible  
11 personal property, specified digital products, or services  
12 offered for sale are not subject to sales tax. Failure to do so  
13 renders a sponsor of the event liable for payment of any sales  
14 tax, interest, and penalty due and owing from any retailer  
15 selling property or services at the event. Sections 423.31,  
16 423.32, 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42  
17 apply to the sponsors.

18 (2) The daily log shall include the name and sales tax  
19 permit number of the retailer. However, if a retailer does not  
20 have a sales tax permit number, the sponsor shall keep in the  
21 daily log the retailer's address and driver's license number or  
22 the equivalent of such an identifying number if the retailer  
23 does not have a driver's license number. The daily log shall  
24 be kept on forms provided by the department.

25 (3) The sponsor shall electronically submit to the  
26 department, within thirty days of the completion of an event,  
27 the daily log of every retailer selling tangible personal  
28 property, specified digital products, or taxable services at  
29 the event on forms provided by the department.

30 b. The sponsor shall require each retailer to register as a  
31 retailer with the sponsor and shall require that a certificate  
32 of registration be prominently displayed by each retailer at  
33 the event.

34 c. (1) If the sponsor does not comply with the requirements  
35 of paragraph "a", subparagraph (3), the sponsor shall be subject

1 to a civil penalty in the amount of one thousand dollars plus  
 2 fifty dollars per day for each day the violation continues up  
 3 to a maximum civil penalty of ten thousand dollars.

4 (2) For any other violation of this subsection, the sponsor  
 5 shall be subject to a civil penalty in the amount of one  
 6 thousand dollars.

7 d. The penalty collected pursuant to this subsection shall  
 8 be paid to the department and deposited into the general fund  
 9 of the state. Unpaid penalties and interest may be enforced in  
 10 the same manner as the taxes imposed by this chapter.

11 e. For purposes of [this subsection](#), a ~~"person sponsoring a~~  
 12 ~~flea market or a craft, antique, coin, or stamp show or similar~~  
 13 ~~event"~~ "sponsor" means a person sponsoring a flea market or a  
 14 craft, antique, coin, or stamp show or similar event but does  
 15 not include ~~an organization which sponsors a person sponsoring~~  
 16 an event determined to qualify as an event involving casual  
 17 sales pursuant to [section 423.3, subsection 39](#), or the state  
 18 fair or a fair as defined in [section 174.1](#).

#### 19 EXPLANATION

20 The inclusion of this explanation does not constitute agreement with  
 21 the explanation's substance by the members of the general assembly.

22 This bill relates to the liability of a sponsor of an event  
 23 to collect sales tax.

24 The bill provides that a person sponsoring a flea market or  
 25 a craft, antique, coin, or stamp show or similar event shall be  
 26 required to keep a daily log of every retailer selling tangible  
 27 personal property, specified digital products, or taxable  
 28 services at the event.

29 The bill specifies that the daily log shall include the name  
 30 and sales tax permit number of the retailer. If a retailer  
 31 does not have a sales tax permit number, the bill also requires  
 32 the sponsor to keep in the daily log the retailer's address  
 33 and driver's license number or the equivalent of such an  
 34 identifying number if the retailer does not have a driver's  
 35 license number.

1     The bill requires the sponsor to electronically submit to  
2 the department of revenue, within 30 days of the completion of  
3 the event, the daily log of every retailer selling tangible  
4 personal property, specified digital products, or taxable  
5 services at the event.

6     The bill requires a sponsor to require each retailer to  
7 register with the sponsor and also requires each certificate of  
8 registration to be prominently displayed at the event.

9     If the sponsor does not electronically submit to the  
10 department of revenue, within 30 days of the completion of an  
11 event, the daily log of every retailer selling at the event,  
12 the sponsor shall be subject to a civil penalty in the amount  
13 of \$1,000 plus \$50 per day for each day the violation continues  
14 up to a maximum civil penalty of \$10,000. For any other  
15 violation of the bill by the sponsor, the sponsor shall be  
16 subject to a civil penalty in the amount of \$1,000.

17     Currently, a person sponsoring a flea market or a craft,  
18 antique, coin, or stamp show or similar event must obtain from  
19 every retailer at the event proof that the retailer possesses a  
20 valid sales tax permit or secure from the retailer a statement  
21 that the property or taxable services offered for sale are  
22 not subject to sales tax. Additionally under current law,  
23 failure to obtain proof that the retailer possesses a valid  
24 sales tax permit or to secure from the retailer a statement  
25 that the property or services offered for sale are not subject  
26 to sales tax renders a sponsor of the event liable for payment  
27 of any sales tax, interest, and penalty due and owing from any  
28 retailer selling property or services at the event.